GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA

UNSTARRED QUESTION NO:2600
ANSWERED ON:21.03.2005
FOREIGN DIRECT INVESTMENT IN AGRICULTURE
Veerendra Kumar Shri M.P.

Will the Minister of AGRICULTURE be pleased to state:

(a) whether the Government is planning to allow Foreign Direct Investment in agriculture; and

(b) if so, the details thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE (SHRI KANTI LAL BHURIA)

(a)&(b): No, Sir. Foreign Direct Investment is not permitted in Agriculture Sector other than Tea Sector. Foreign Direct Investment is permitted up to 100% in Tea Sector, including tea plantations, with prior Government approval and subject to following conditions:

(i) compulsory divestment of 26% equity in favour of Indian partner/Indian public within a period of five years; and

(ii) Prior State Government approval required in case of any future land use change.